

Medicaid Expansion: 2014 & Beyond

2013 Medicaid Quality Management

October 16, 2013

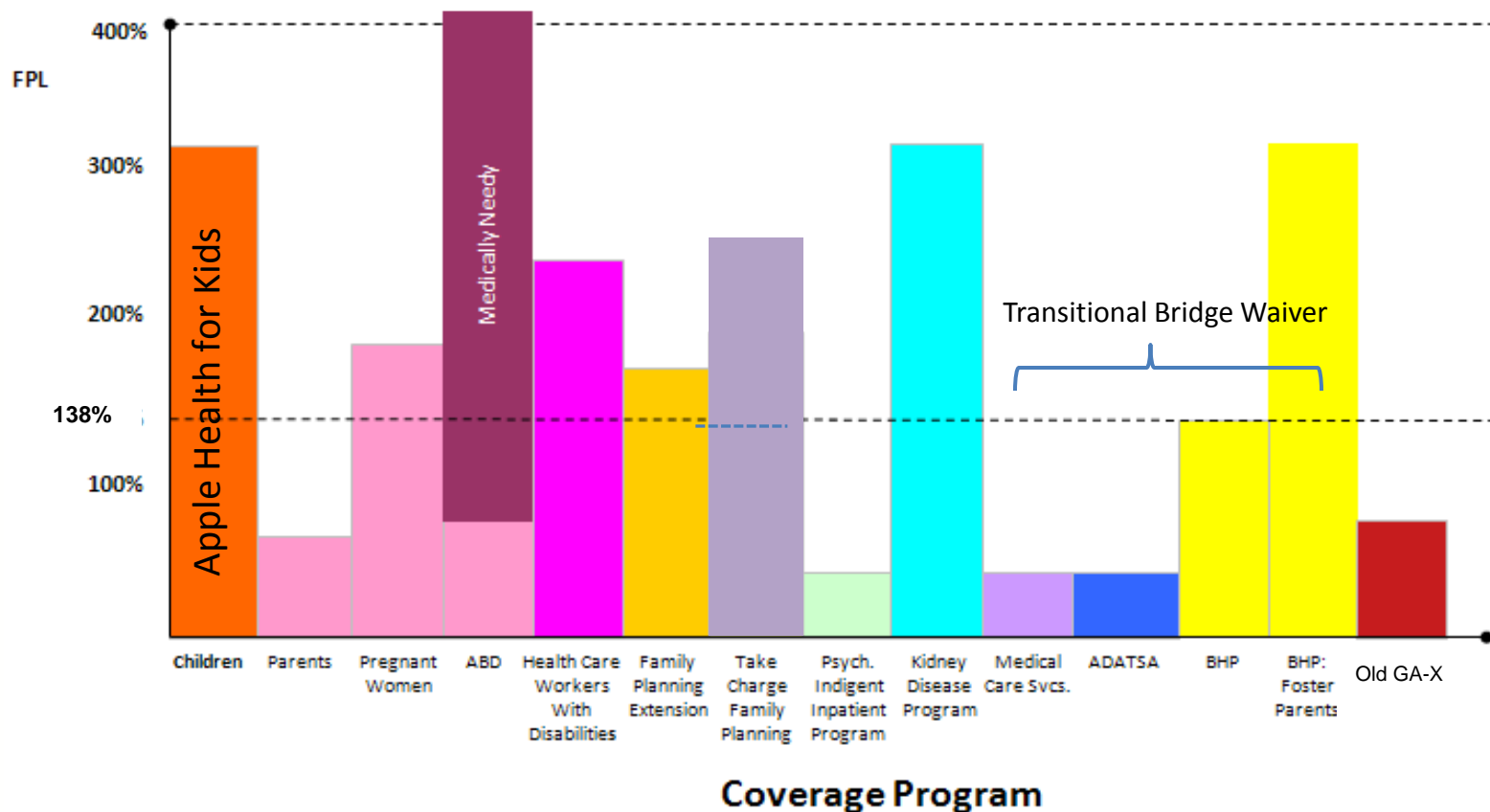
Nathan Johnson, Division Director, Health Care Policy

Today's Topics

- Current Medicaid Landscape
- Medicaid Expansion
- The Future of Medicaid

Current Medicaid Landscape

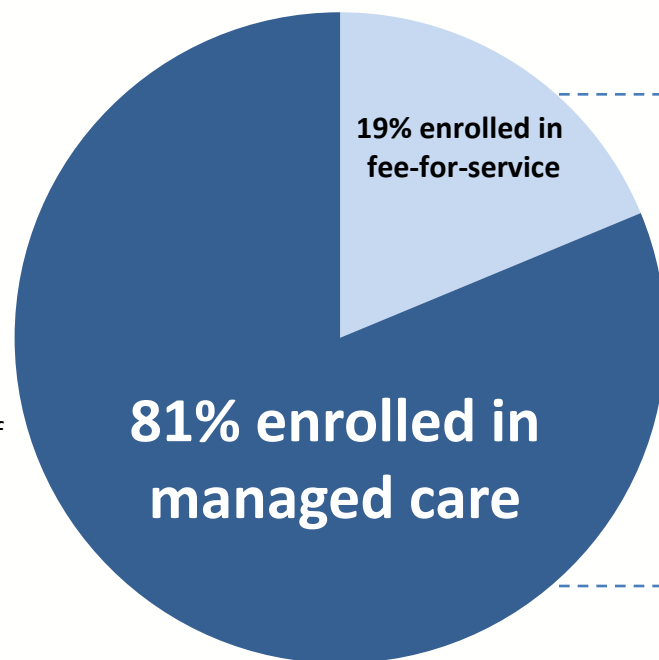
Current Public Programs



HCA Medical Coverage

Just over 1 million individuals receive their full medical coverage from Medicaid

(excludes duals, partial duals, family planning-only and alien emergency medical.)



Current Health Plans

- Amerigroup
- Community Health Plan of Washington (CHPW)
- Coordinated Care
- Molina Healthcare
- UnitedHealth

	FFS	Managed Care
Adults	64,893	220,516
Children	124,582	600,944

Source: Medicaid Assistance Eligible Persons Report – Preliminary December Enrollment; Basic Health Monthly Enrollment December 2012

Single Door Began October 1

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If you are a small business owner with up to 50 employees in Washington, you can provide health insurance through Healthplanfinder and you may be eligible for tax credits.

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Go-Live Healthplanfinder

First 2 weeks: **24,949** enrollments through Oct. 13

Web and Call Center Data: First week, 10/1-10/13

Unique Visitors	270,851
Total Site Visits	1,423,673
Page Views	5,569,165
Unique Page Views	4,053,023
Accounts Created	66,776
Call Center Volume	53,039
Average Call Center Wait Times	18 minutes

Enrollments Completed

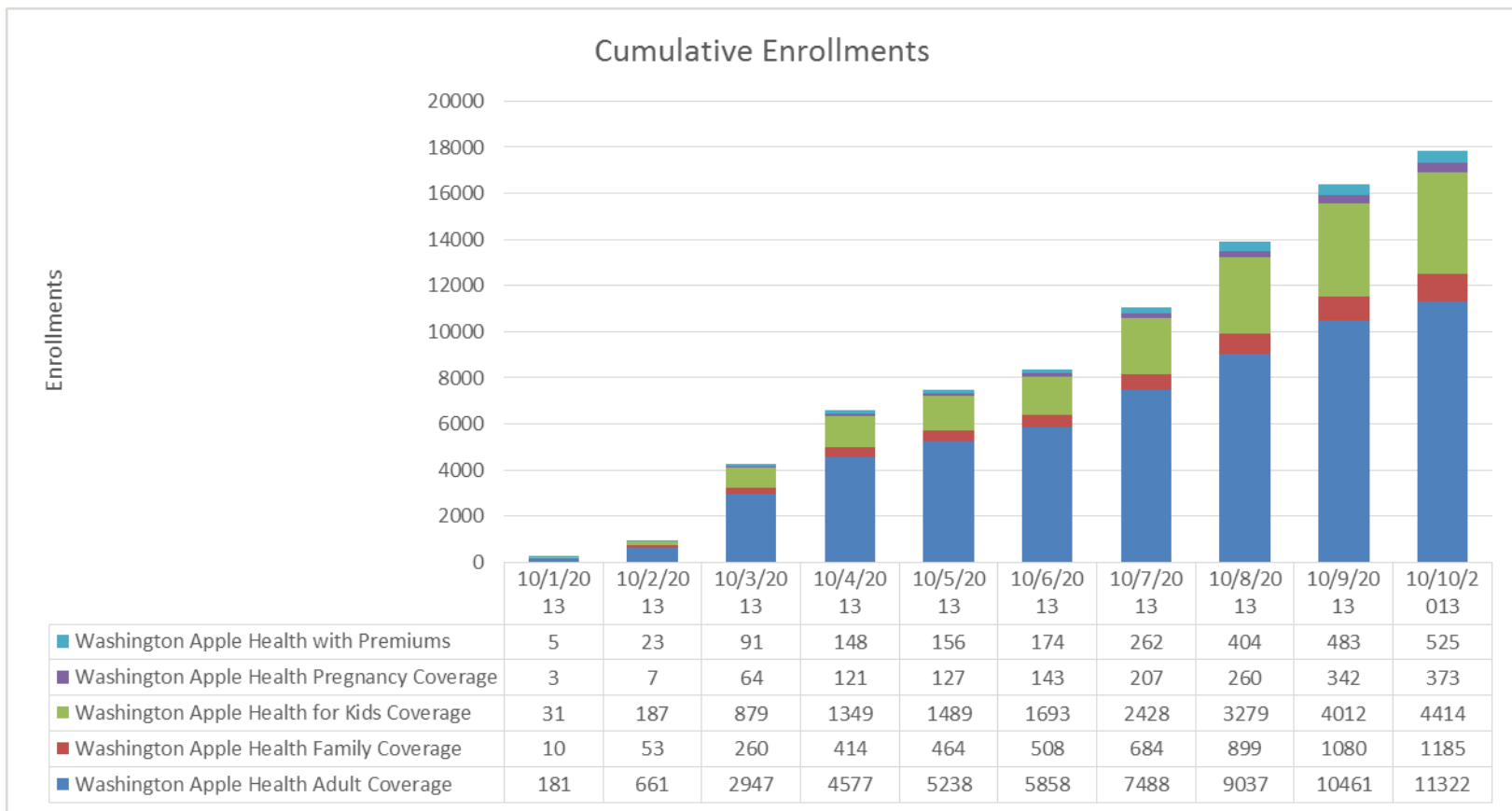
Qualified Health Plans	3,084
Medicaid Newly Eligible/Coverage Jan. 1	13,370
Medicaid/Immediate coverage	8,495
Total	24,949

Applications Completed*

Qualified Health Plans	21,766
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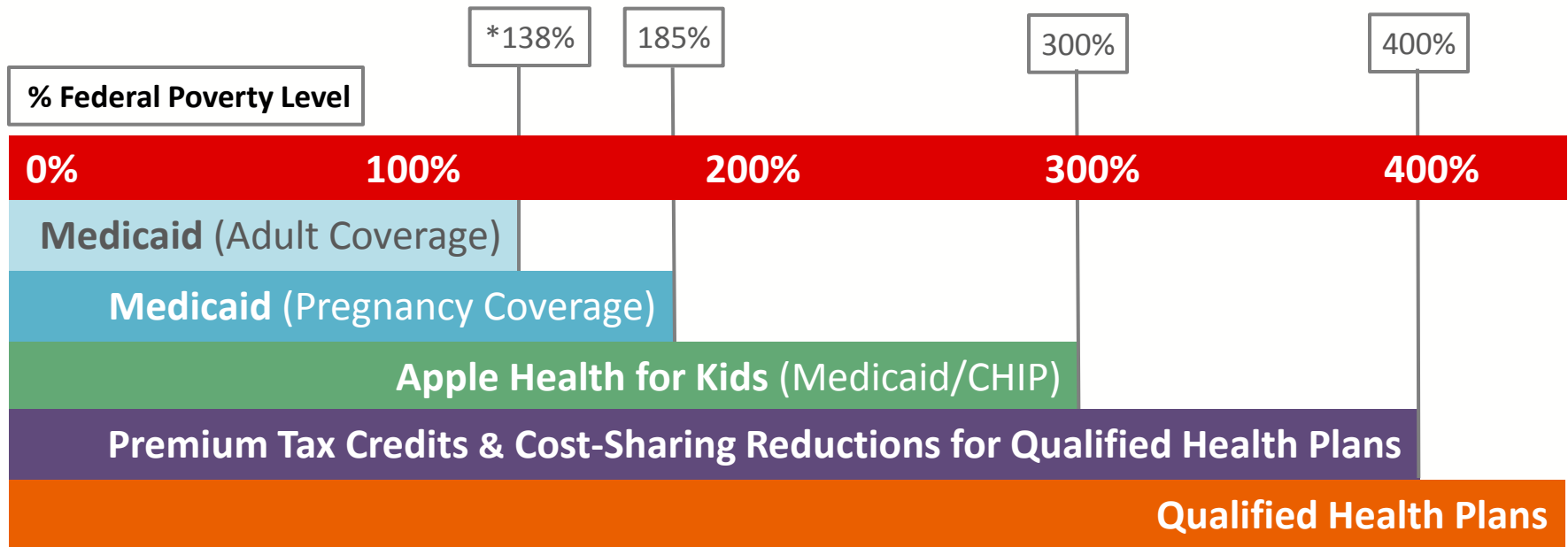
Enrollment: October 1 - 10

18,000 people enrolled in the first 10 days
Plus < 20,000 submitted applications for health coverage
Average # daily applications: **2,000**



Medicaid Expansion Beginning January 1, 2014

Insurance Affordability Continuum



* The ACA's "133% of the FPL" is effectively 138% of the FPL because of a 5% across-the-board income disregard

2013 FPL Levels

Federal Poverty Level	Annual Income: Individual	Annual Income Level: Family of 3
100%	\$11,496	\$19,536
133%	\$15,288	\$25,980
138%	\$15,864	\$26,952
200%	\$22,980	\$39,060
300%	\$34,476	\$58,596
400%	\$45,960	\$78,120

Source: <http://aspe.hhs.gov/poverty/13poverty.cfm>

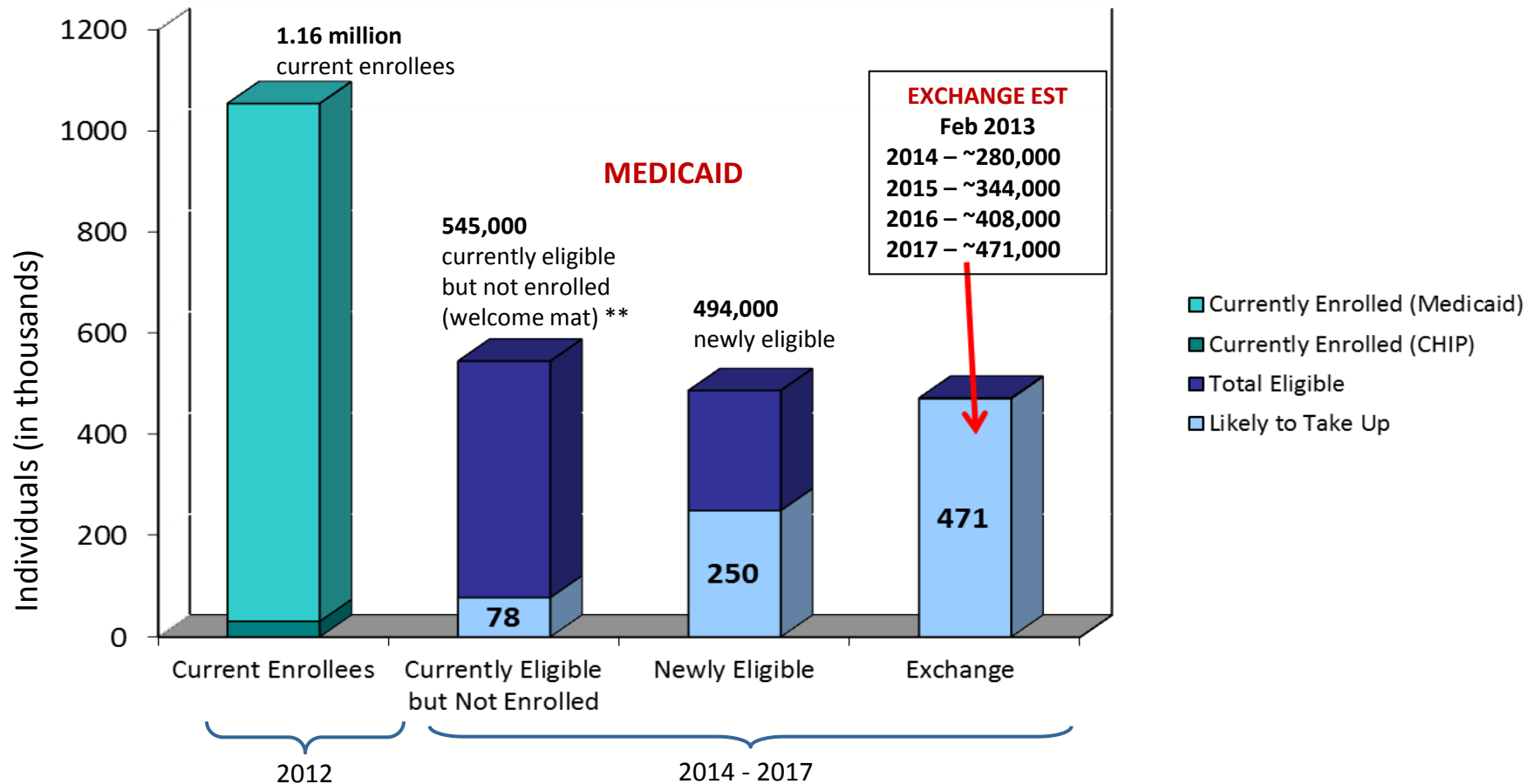
Per HHS directive, after inflation adjustment, the guidelines are rounded and adjusted to standardize the differences between family sizes.

Medicaid Expansion Overview

- ACA option to expand Medicaid to 138% of the FPL for adults under age 65 not receiving Medicare*
 - **Modified Adjusted Gross Income (MAGI) methodology** defines how income is counted, and how household composition and family size are determined
 - **MAGI** will determine eligibility for children, pregnant women, parents and all adults in the new adult category
- Current Medicaid eligibility standards still apply to aged, blind, disabled, SSI, and foster children
 - **ACA does not impact these groups**
- Washington's new adult group will include:
 - **Childless adults** with incomes below 138% of the FPL
 - **Parents** with incomes between ~40% and 138% of the FPL

* The ACA's "133% of the FPL" is effectively 138% of the FPL because of a 5% across-the-board income disregard

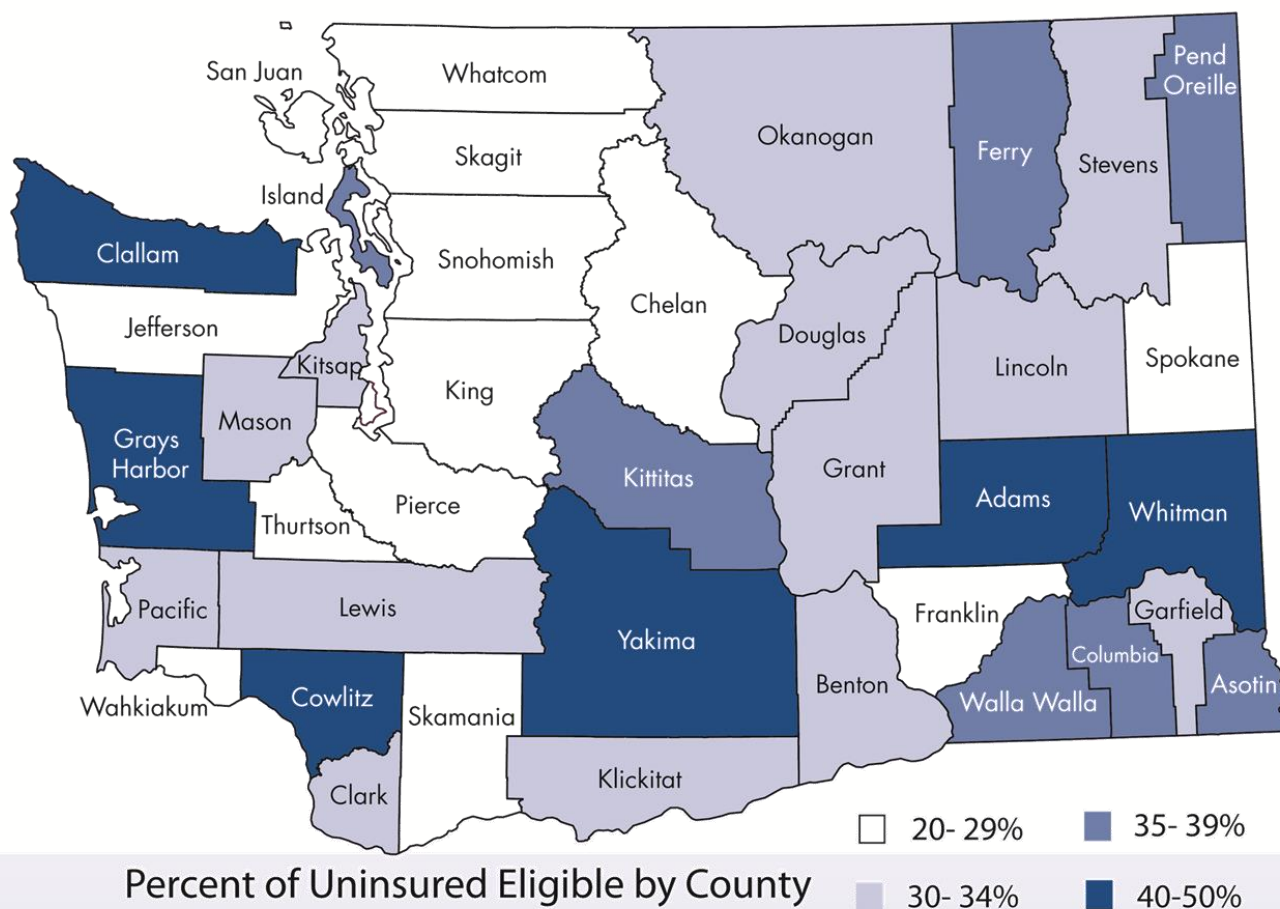
Coverage After ACA Implementation



Note: Analysis forecast assumes full take up rate and the ACA was in effect in 2011.

**Includes individuals who have access to other coverage (e.g., employer sponsored insurance). Sources: The ACA Medicaid Expansion in Washington, Health Policy Center, Urban Institute (May 2012); The ACA Basic Health Program in Washington State, Health Policy Center, Urban Institute (May 2012); Milliman Market Analysis; and Washington Health Care Authority for Medicaid/CHIP enrollment.

Medicaid Expansion Benefits Rural Areas



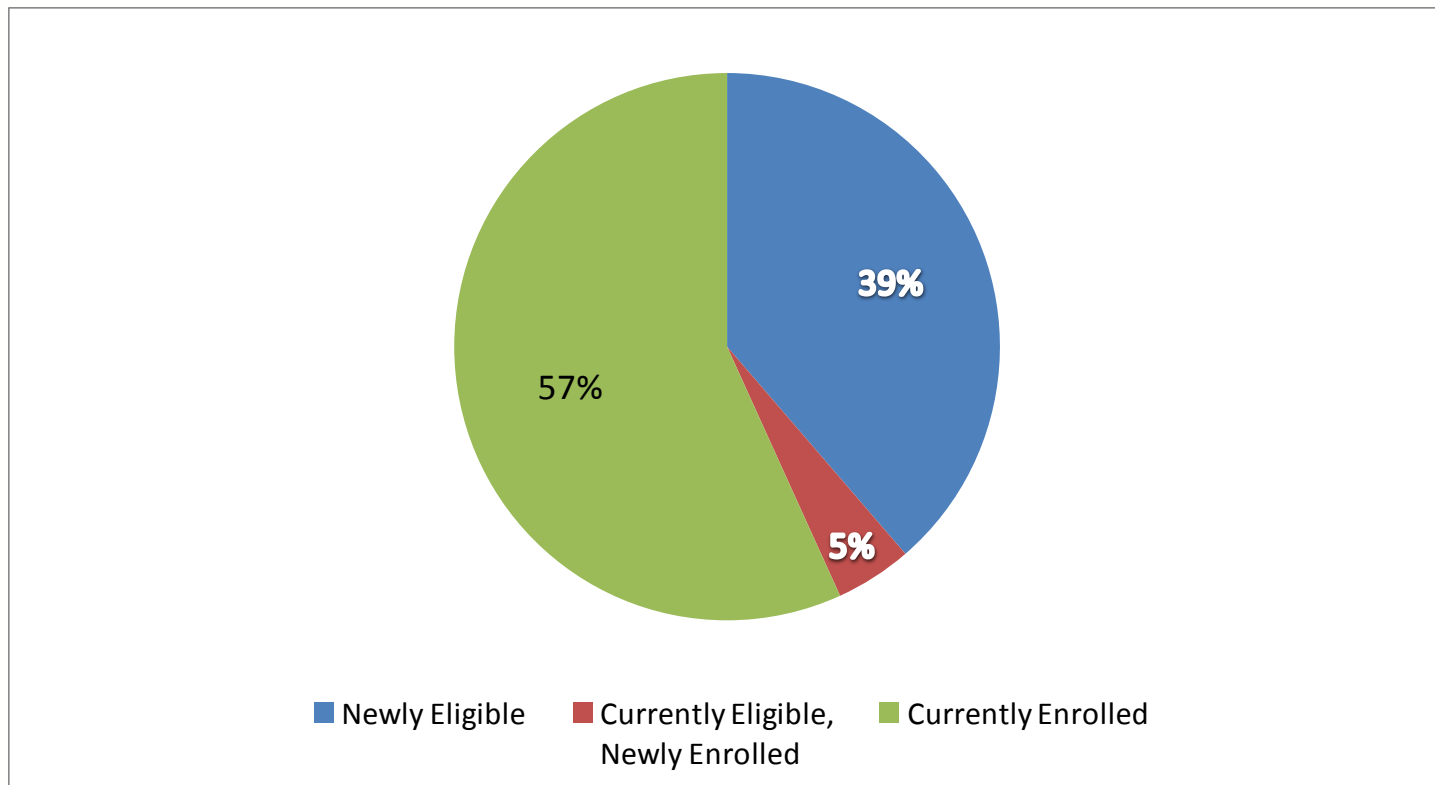
Source: Budget & Policy Center calculations of data from the Office of the Insurance Commissioner (OIC);
 This map is for illustrative purposes only- the percentages are based off of the OIC's estimated number of uninsured
 people eligible under the expansion, which differs from Urban Institute estimates

Post-Implementation of the ACA: Medicaid Enrollment of Nonelderly Adults

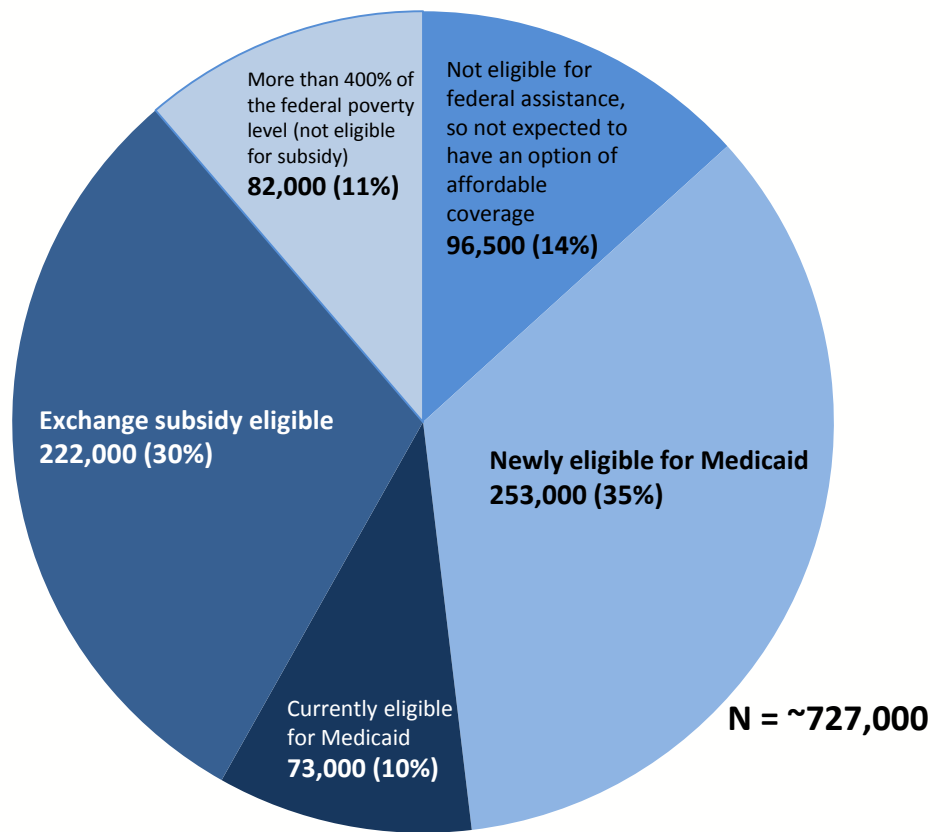
With Large Growth in Enrollment, Average Costs Decline

Reform: 633K Enrollees, Avg. Cost \$7,293

(Baseline: 359K Enrollees, Avg. Cost \$7,906)



~85% of Washington's uninsured adults will have access to affordable coverage under full implementation of the ACA



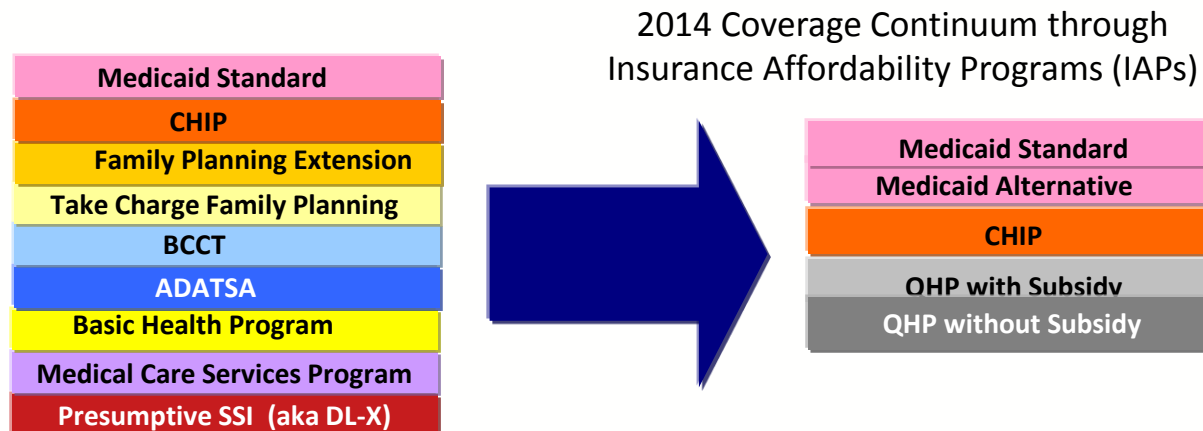
Source: Urban Institute Analysis of Augmented WA State Database

Uninsured Groups Remain

- Undocumented immigrants
- Individuals exempt from the mandate who choose to not be insured (e.g., because coverage not affordable)
- Individuals subject to the mandate who do not enroll (and are therefore subject to the penalty)
- Individuals who are eligible for Medicaid but do not enroll

Biennial Budget Streamlining

- Expenditure authority for Medicaid expansion
(*\$300 million savings assumed*)
- Some program streamlining



Alternative Benefit Plan for 2014

Medicaid Benefit Package for Adults:

- 10 Essential Health Benefits *plus* benefits authorized by Washington's Legislature:
 - *Dental*
 - *Naturopathic Services*
- CMS providing guidance to states for completing 11 ABP Templates
- More information coming from HCA
 - *October 28 Tribal Affairs Monthly Meeting will focus on ABP*

The Churn Challenge

- **CHURN:** Changing life circumstances & different Medicaid eligibility levels for children, parents & pregnant women addressed through coverage options made possible by ACA
- **APPLE HEALTH PLUS:** Exchange QHPs participate in Medicaid on limited basis to serve adult churners and children of Exchange parents. Populations served:
 - **Medicaid/CHIP eligible children** of parents enrolled in QHP
 - **Pregnant women**, return to same QHP after post-partum period
 - **Adult churners**, served through Apple Health Plus option until next open-enrollment period



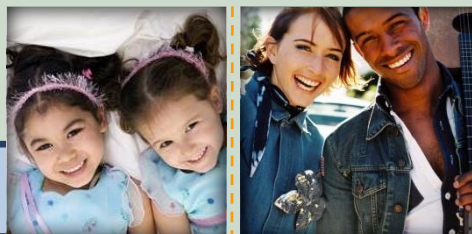
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powered by the Washington Health Benefit Exchange

Medicaid Managed Care



Family Income:
\$47,000 (200% FPL)



Automatic
Assignment

Consumer
Selects

Churn / Split-Family Coverage

Qualified Health Plans



GroupHealth



KAISER PERMANENTE

LIFEWISE

HEALTH PLAN OF WASHINGTON

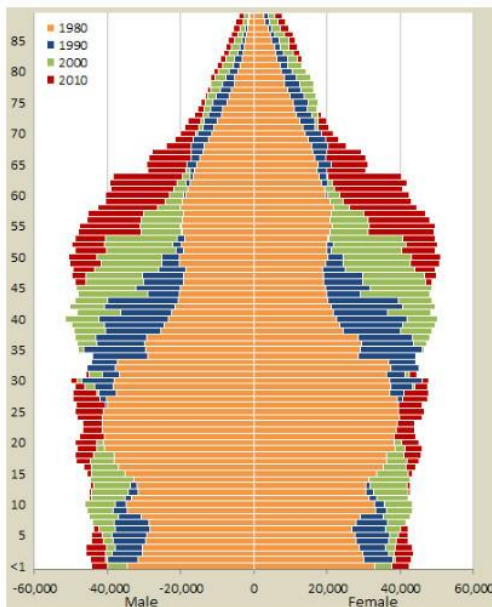


GOAL:

Consumer Choice with
Whole-Family Coverage AND
Churn Reduction

The Future of Medicaid

Our Future Challenge



Silos & Fragmented Care
and aging of
Washington's population

- Medicaid delivery system silos
 - Managed care, fee-for-service
 - County-based behavioral health
 - Dual-eligibles
 - Long-term care
- Fragmented service delivery
- Service needs & risk factors overlap in high-risk populations
- Incentives & reimbursement structures not aligned to achieve outcomes

■ **EXISTING DESIGN NOT SUSTAINABLE**

Planning for Success

CMMI State Innovation Models (SIM):

A Center for Medicare and Medicaid Innovation grant program to identify and spread health practices that result in better health and better care at lower costs.

Washington State SIM:

1 of 3 states awarded a nearly \$1 million model pre-testing grant to fund collaborative development of a five-year plan for health innovation. In Washington, the effort is called:

State Health Care Innovation Planning

State Health Care Innovation Planning



Promote well-being and eliminate systemic barriers to health and recovery for individuals at risk for or experiencing mental health and substance abuse challenges

Multipayer, purchaser and provider transformation

- Payment approaches supporting coordinated care
- Evidence-based care reducing unwarranted variation
- Consumer engagement
- Infrastructure
- Purchaser /payer alignment

Goals for Transformation



- Improve health outcomes & reduce costs
- Move away from a largely fee-for-service system to an outcomes-based system
- Improve health through prevention & early mitigation of disease

Build on Washington's Strengths



- Pioneering efforts in practice transformation, evidence-based medicine, and person and family engagement
- Solid health information technology (HIT) and health information exchange (HIE) foundation
- State leadership on health technology assessment, shared decision-making,
- Lower than national average healthcare costs
- Collaborative organizations across the state focused on clinical improvement and community prevention

Washington State as First Mover



- **Lead through Active Purchasing role:** Shift away from traditional fee for service to outcomes based payment and care delivery and stronger linkages to communities
- **Convene and Partner:** Assure needed infrastructure supports are in place to assist and sustain health and healthcare transformation:
 - Performance measurement and transparency tools
 - Clinical improvement and practice transformation support
 - Health information exchange and shared care planning
 - Workforce augmentation and support
 - Strengthened community capabilities to address health disparities, resource sharing and prevention priorities

Resources

- HCA Medicaid Expansion 2014: www.hca.wa.gov/hcr/me
 - Contact Us: medicaidexpansion2014@hca.wa.gov
- WA Health Benefit Exchange: www.wahbexchange.org
 - Contact Us: info@wahbexchange.org
- State Health Care Innovation Planning
 - Focused strategies & tactics are in analysis phase—nothing finalized
 - Outline draft plan will be available at:
<http://www.hca.wa.gov/shcip/Pages/default.aspx>
 - Sign up to receive updates from Feedback Network: simquestions@hca.wa.gov